

**SUBMISSION COVER SHEET**

**IMPORTANT:** Check box if Confidential Treatment is requested

Registered Entity Identifier Code (optional): 25-021

Organization: Commodity Exchange, Inc. ("COMEX")

Filing as a: DCM SEF DCO SDR

Please note - only ONE choice allowed.

Filing Date (mm/dd/yy): 01/03/25 Filing Description: Initial Listing of the HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price Option Contract

**SPECIFY FILING TYPE**

Please note only ONE choice allowed per Submission.

**Organization Rules and Rule Amendments**

- Certification § 40.6(a)
- Approval § 40.5(a)
- Notification § 40.6(d)
- Advance Notice of SIDCO Rule Change § 40.10(a)
- SIDCO Emergency Rule Change § 40.10(h)

**Rule Numbers:**

**New Product**

Please note only ONE product per Submission.

- Certification § 40.2(a)
- Certification Security Futures § 41.23(a)
- Certification Swap Class § 40.2(d)
- Approval § 40.3(a)
- Approval Security Futures § 41.23(b)
- Novel Derivative Product Notification § 40.12(a)
- Swap Submission § 39.5

**Official Product Name:** See filing.

**Product Terms and Conditions (product related Rules and Rule Amendments)**

- Certification § 40.6(a)
- Certification Made Available to Trade Determination § 40.6(a)
- Certification Security Futures § 41.24(a)
- Delisting (No Open Interest) § 40.6(a)
- Approval § 40.5(a)
- Approval Made Available to Trade Determination § 40.5(a)
- Approval Security Futures § 41.24(c)
- Approval Amendments to enumerated agricultural products § 40.4(a), § 40.5(a)
- "Non-Material Agricultural Rule Change" § 40.4(b)(5)
- Notification § 40.6(d)

**Official Name(s) of Product(s) Affected:**

**Rule Numbers:**



January 3, 2025

**VIA ELECTRONIC PORTAL**

Mr. Christopher J. Kirkpatrick  
 Office of the Secretariat  
 Commodity Futures Trading Commission  
 Three Lafayette Centre  
 1155 21<sup>st</sup> Street, N.W.  
 Washington, D.C. 20581

**Re: CFTC Regulation 40.2(a) Certification. Notification Regarding the Initial Listing of the HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price Option Contract.  
 COMEX Submission No. 25-021**

Dear Mr. Kirkpatrick:

Commodity Exchange, Inc. (“COMEX” or “Exchange”) is certifying to the Commodity Futures Trading Commission (“CFTC” or “Commission”) the initial listing of the HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price Option Contract (the “Contract”) for trading on the CME Globex electronic trading platform and for submission for clearing via CME ClearPort effective Sunday January 26, 2025, for trade date Monday, January 27, 2025, as noted in the table below.

<b>Contract Title</b>	HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price Option
<b>CME Globex and CME ClearPort Code</b>	FSO
<b>Rulebook Chapter</b>	881
<b>Settlement Type</b>	Financially Settled
<b>Underlying Futures Contract / Commodity Code</b>	HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Futures / FSF
<b>Contract Size</b>	10 metric tons
<b>Price Quotation</b>	U.S. dollars and cents per metric ton
<b>Minimum Price Fluctuation</b>	\$0.50
<b>Value per Tick</b>	\$5.00
<b>Termination of Trading</b>	Trading terminates on the last London business day of the contract month. If this is not a U.S. business day, trading terminates on the prior London and U.S. business day.
<b>Listing Schedule</b>	Monthly contracts listed for 24 consecutive months
<b>Initial Listing</b>	February 2025 - January 2027
<b>Block Trade Minimum Threshold / Reporting Window</b>	5 contracts / subject to a 15-minute reporting window
<b>CME Globex Matching Algorithm</b>	FIFO

<b>Strike Price Listing Schedule</b>	Minimum 15 strikes above and below the at-the-money strike at \$5.00 per gross ton increment plus dynamic strikes above and below the highest and lowest pre-listed strikes at \$5.00 per gross ton increment for the nearest 12 monthly contracts. Dynamic strikes only at \$5.00 per gross ton increment for monthly contracts 12+
<b>Exercise Style</b>	European
<b>Trading and Clearing Hours</b>	<b>CME Globex Pre-open:</b> Sunday 4:00 p.m. - 5:00 p.m. Central Time/CT Monday – Thursday 4:45 p.m. - 5:00 p.m. CT <b>CME Globex Open:</b> Sunday 5:00 p.m. - Friday 4:00 p.m. CT with a daily maintenance period from 4:00 p.m. - 5:00 p.m. CT <b>CME ClearPort:</b> Sunday 5:00 p.m. - Friday 4:00 p.m. CT with no reporting Monday - Thursday from 4:00 p.m. - 5:00 p.m. CT

Exhibit A provides COMEX Rulebook Chapter 881. Exhibit B (under separate cover) provides the Position Limit, Position Accountability, and Reportable Level Table in Chapter 5. Exhibit C provide the Exchange Fees. Exhibit D provides the COMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table. Exhibit E provides the COMEX Rule 300.20. – Strike Price Listing and Exercise Procedures Table. Exhibit F (under separate cover) provides the Cash Market Overview and Analysis of Deliverable Supply (confidential treatment requested).

The Exchange reviewed the designated contracts market core principles (“Core Principles”) as set forth in the Commodity Exchange Act (“CEA” or “Act”) and identified that the Contract may have some bearing on the following Core Principles:

- **Availability of General Information:** The Exchange will publish information on the Contract’s specification on its website, together with daily trading volume, open interest and price information.
- **Contracts Not Readily Subject to Manipulation:** The Contract is not readily subject to manipulation due to the deep liquidity and robustness in the underlying cash market, which provides diverse participation and sufficient spot transactions to support the final settlement index as assessed by Platts.
- **Compliance with Rules:** Trading in the Contract will be subject to Chapter 4 of the Exchange rules which includes prohibitions against fraudulent, non-competitive, unfair and abusive practices and will be subject to extensive monitoring and surveillance by CME Group’s Market Regulation Department. The Market Regulation Department may use its investigatory and enforcement power where potential rule violations are identified during its regular surveillance reviews.
- **Prevention of Market Disruption:** Trading in the Contract will be subject to the Rules of COMEX which include prohibitions on manipulation, price distortion, and disruption to the cash settlement process. As with any new product listed for trading on a CME Group designated contract market, trading activity in the Contract proposed herein will be subject to monitoring and surveillance by CME Group’s Market Regulation Department.
- **Position Limitations or Accountability:** The speculative position limits for the Contract as demonstrated in this submission are consistent with the Commission’s guidance.
- **Financial Integrity of Contracts:** The Contract will be cleared by the CME Clearing House which is a registered derivatives clearing organisation with the Commission and is subject to all Commission regulations related thereto.

- **Execution of Transactions:** The Contract will be listed for trading on the CME Globex electronic trading and for clearing through CME ClearPort. The CME Globex electronic trading venue provides for competitive and open execution of transactions. CME Globex affords the benefits of reliability and global connectivity.
- **Trade Information:** All requisite trade information for the Contract will be included in the audit trail and is sufficient for the Market Regulation Department to monitor for market abuse.
- **Protection of Market Participants:** COMEX Rulebook Chapters contain multiple prohibitions precluding intermediaries from disadvantaging their customers. These rules apply to trading on all Exchange's competitive venues and will be applicable to transactions in the Contract.
- **Disciplinary Procedures:** Chapter 4 of the Rulebook contains provisions that allow the Exchange to discipline, suspend or expel members or market participants that violate the Rulebook. Trading in the Contract will be subject to Chapter 4, and the Market Regulation Department has the authority to exercise its enforcement power in the event rule violations in this product are identified.
- **Dispute Resolution:** Disputes with respect to trading in the Contract will be subject to the arbitration provisions set forth in Chapter 6 of the Rulebook. Chapter 6 allows all non-members to submit a claim for financial losses resulting from transactions on the Exchange to arbitration. A member named as a respondent in a claim submitted by a non-member is required to participate in the arbitration pursuant to Chapter 6. Additionally, the Exchange requires that members resolve all disputes concerning transactions on the Exchange via arbitration.
- **Daily Publication of Trading Information:** The Exchange will publish information regarding trading volume, open interest and price information daily on its website and through quote vendors for the Contract.

Pursuant to Section 5c(c) of the Act and CFTC Regulation 40.2(a), the Exchange hereby certifies that the Contract complies with the Act, including regulations under the Act. There were no substantive opposing views to the proposal.

The Exchange certifies that this submission has been concurrently posted on the CME Group website at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

Should you have any questions concerning the above, please contact the undersigned at (312) 466-7478 or via e-mail at [CMEGSubmissionInquiry@cmegroup.com](mailto:CMEGSubmissionInquiry@cmegroup.com).

Sincerely,

/s/ Timothy Elliott  
Managing Director and Chief Regulatory Counsel

Attachments: Exhibit A: COMEX Rulebook Chapter 881  
Exhibit B: Position Limit, Position Accountability, and Reportable Level Table in Chapter 5 of the COMEX Rulebook (under separate cover)  
Exhibit C: Exchange Fees  
Exhibit D: COMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table  
Exhibit E: COMEX Rule 300.20. – Strike Price Listing and Exercise Procedures Table  
Exhibit F: Cash Market Overview and Analysis of Deliverable Supply  
(under separate cover) (confidential treatment requested)

## Exhibit A

### COMEX Rulebook

#### Chapter 881

#### HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price Option

**881100. SCOPE OF CHAPTER**

This chapter is limited in application to put and call average price options on HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) futures contracts. In addition to the rules of this chapter, transactions in options on HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Futures shall be subject to the general rules of the Exchange insofar as applicable.

**881101. OPTION CHARACTERISTICS**

The number of contract months open for trading at a given time shall be determined by the Exchange.

**881101.A. Trading Schedule**

The hours of trading for this contract shall be determined by the Exchange.

**881101.B. Trading Units**

An HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price put option traded on the Exchange represents the cash difference between the exercise price and the settlement price of the HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Futures multiplied by 10, or zero, whichever is greater. An HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price call option traded on the Exchange represents the cash difference between the settlement price of the HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Futures and the exercise price multiplied by 10, or zero, whichever is greater.

**881101.C. Price Increments**

Prices shall be quoted in U.S. dollars and cents per pound. The minimum daily trading price fluctuation shall be \$0.50 per metric ton. The minimum daily settlement price fluctuation shall be \$0.50 per metric ton. The minimum final settlement price fluctuation shall be \$0.01 per metric ton.

**881101D. Position Limits, Exemptions, Position Accountability and Reportable Levels**

The applicable position limits and/or accountability levels, in addition to the reportable levels, are set forth in the Position Limit, Position Accountability and Reportable Level Table in the Interpretations & Special Notices Section of Chapter 5.

A Person seeking an exemption from position limits for bona fide commercial purposes shall apply to the Market Regulation Department on forms provided by the Exchange, and the Market Regulation Department may grant qualified exemptions in its sole discretion.

Refer to Rule 559 for requirements concerning the aggregation of positions and allowable exemptions from the specified position limits.

**881101.E. Termination of Trading**

The option shall expire at the close of trading on the last day of trading of the underlying HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Futures contract.

**881101.F. Type of Option**

The option is a European-style option cash settled on expiration day.

**881102. EXERCISE PRICES AND CHARACTERISTICS**

Transactions shall be conducted for option contracts as set forth in Rule 300.20.

**881103. DISCLAIMER**

See [NYMEX/COMEX Chapter iv. \("DISCLAIMERS"\)](#) incorporated herein by reference.

**Exhibit B**

**COMEX Rulebook**

**Chapter 5**

**(“Trading Qualifications and Practices”)**

**Position Limits, Position Accountability and Reportable Level Table**

(under separate cover)

**Exhibit C**

**Exchange Fees**

	<b>Member</b>	<b>Non-Member</b>
CME Globex	\$3.00	\$6.00
Block EEO	\$4.00	\$7.00
<b>Processing Fees</b>	<b>Member</b>	<b>Non-Member</b>
Cash Settlement	\$4.00	\$7.00
Facilitation Fee	\$0.70	
Give-Up Surcharge	\$0.05	
Position Adjustment/Position Transfer	\$0.10	

**Exhibit D**  
**COMEX Rulebook**  
**Chapter 5**  
**(“Trading Qualifications and Practices”)**  
**COMEX Rule 588.H. – (“Globex Non-Reviewable Trading Ranges”) Table**  
(additions underscored)

Instrument	Globex Symbol	Globex Non-Reviewable Ranges (NRR)	NRR: Globex Format	NRR:Minimum Ticks
<a href="#"><u>HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price Option</u></a>	<a href="#"><u>FSO</u></a>	<a href="#"><u>The greater of the following:</u></a> <ul style="list-style-type: none"> <li>•<a href="#"><u>Delta multiplied by the underlying futures non-reviewable range</u></a></li> <li>•<a href="#"><u>20% of premium up to ¼ of the underlying futures non-reviewable range</u></a></li> <li>•<a href="#"><u>5 ticks</u></a></li> </ul>		



**Exhibit E**

**COMEX Rulebook  
Chapter 300  
("Option Contracts")**

**Rule 300.20.- Strike Price Listing and Exercise Procedures Table**  
(additions underscored)

Commodity Code	CME Globex Code	Product Name	Product Group	Product Subgroup	Exchange	Rulebook Chapter	Strike Price Listing Rule	Option Style	Contrary Instructions	Margin Style	Exact At-The-Money Characteristics	Underlying Commodity Code	Underlying Product Name
<u>FSO</u>	<u>FSO</u>	<u>HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Average Price Option</u>	<u>Metals</u>	<u>Ferrous</u>	<u>COMEX</u>	<u>881</u>	<u>Minimum 15 strikes above and below the at-the-money strike at \$5.00 per metric ton increment plus dynamic strikes above and below the highest and lowest pre-listed strikes at \$5.00 per metric ton increment for the nearest 12 monthly contracts. Dynamic strikes only at \$5.00 per metric ton increment for monthly contracts 12+.</u>	<u>European</u>	<u>N/A - Financially Settled</u>	<u>Equity</u>	<u>N/A - Financially Settled</u>	<u>FSF</u>	<u>HMS 80/20 Ferrous Scrap, CFR Turkey (Platts TSI) Futures (FSF)</u>

**Exhibit F**

**Cash Market Overview and Analysis of Deliverable Supply**

(attached under separate cover)

(CONFIDENTIAL TREATMENT REQUESTED)